GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1755
ANSWERED ON:23.08.2007
BETTER USE OF FOOD PROCESSING RESOURCES
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether any request like abolition of Agricultural Produce Marketing Commission Act and taking other steps have been received to speed up the growth in the food processing industry;

(b) if so, the details thereof and Government's reaction thereto; and

(c) the steps taken or proposed to be taken for making better use of the food processing resources?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (c): The Government is aware of the fact that the Agricultural Produce Marketing (Development & Regulation) Act restricts the farmer's choice in selling their produce at the regulated markets limiting other marketing channels that could offer better returns to the farmers. In some cases restriction on direct sale to processors and other bulk buyers could lead to higher transaction cost.

The Government has, therefore, initiated steps for introducing reforms in agricultural marketing sector on the basis of suggested Model Act by suitably amending the respective State Agricultural Produce Marketing Regulation Acts. On the basis of the suggested Model Act, various State Governments have initiated reforms in the agricultural marketing sector by suitably amending the respective State level Acts. The major reforms sought to be introduced include, inter-alia,
(i) enabling legal persons, growers and local authorities to establish new markets in any area,
(ii) removing the restriction on the growers to sell their produce only through existing regulated markets,
(iii) establishment of Direct Purchase Centres and Consumers'/ Farmers' Markets for direct sale
(iv) providing a separate provision for establishment of special markets for commodities like onions, fruits, vegetables, flowers etc., and
(v) introducing an institutional support mechanism to contract-farming arrangements. The reforms would encourage a marketing regime, where there is fair competition, so that the farmers can gain from the options available and take their produce to the centres that offer the best prices and services. The contract-farming arrangements will provide an effective method of linking small farm sector to agro- processing industry and to sources for extension advice, seeds, credit card to assured and profitable markets.

In order to facilitate that the farm produce reaches both to the markets to meet the consumer demands and to the processing industry as raw material, thereby reducing wastages and better use of the farm produce, in the 11th Plan, the Ministry of Food Processing Industries will be implementing a revamped Scheme for Infrastructure Development. Under this scheme, financial assistance will be given for setting up of Mega Food Parks, cold chain infrastructure, value added centres and packaging centres. The Mega Food Park Scheme will provide backward and forward linkages as well as reliable and sustainable supply chain. The Cluster based demand driven approach will provide linkages from farm to market with linkages from local to regional level through Collection Centre, Primary Processing Centre, Strategic Distribution Centre-cum-Cold Chain to be located at Airports, Ports, Railways, etc − having Controlled Atmosphere storage and distribution centres where large quantities can be stored and supplied to distribution centres for fresh sale and to processing industries for processing.

In the 11th Plan, it has also been proposed to continue assistance to schemes for setting up of Food Testing Labs, Implementation of Quality Systems such as HACCP, ISO 9000 ,GHP and GMP Practices, Promotion of Research and Development, Capacity building and Human Resource Development and other promotional activities with higher levels of assistance. In addition, a new scheme for Upgradation of Quality of street foods has also been proposed to be implemented.